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**What to Do When a Tenant Refuses to Pay**

During the Covid-19 pandemic, the tenancy landscape has become more confusing than ever for landlords and tenants alike. Many Albertans have faced income interruptions and job losses, creating genuine hardships in paying for all essentials — including rent.

The resulting financial crisis often positions landlords as the villain, demanding payment during terrible times. Yet property owners are also suffering, facing obligations to banks, utility providers, property managers, maintenance companies and tax collectors.

When a tenant refuses to pay or disputes costs for damages in Alberta, there is a rigid process to follow. It begins at the Residential Tenancy Dispute Resolution Service (RTDRS). The RTDRS is faster, less complicated and less expensive than going through the provincial court system.

**How do I make a claim at the RTDRS?**

While Covid-19 closure is in effect, the RTDRS offices are closed to the public, and all hearings are being conducted by phone. You can make an application online using the RTDRS eFiling system available by searching RTDRS and following the links. The system enables you to submit applications, track one or more cases, and upload supporting documentation.

The RTDRS accepts applications of up to $50,000, as long as they are made within two years of the potential claim being discovered. In your application you will be expected to provide an accounting of costs and damages, with evidence (such as photos), as well as cleaning or repair bills to support your claims.

At the hearing, the matter is normally dealt with conclusively with a written decision, usually an order to pay, which may include a payment schedule. The order may also require the tenant to pay the RTDRS filing fee of $75.00. In some cases, a subsequent hearing is scheduled for a later date.

It is important to remember that the Dispute Officer may decide to award the judgment in favour of the tenant, in which case the order to pay is issued to the landlord. Samples of prior judgments can be viewed at the RTDRS website.

**Do I have to serve the tenant?**

Yes, once your application is filed, you must deliver a copy to the tenant, known as “the respondent.”

You must also serve the order to the tenant. If you fail to do so, the order is not valid and cannot be enforced. While it is always easiest to serve a tenant who is still in the property, the landlord has up to 10 years to serve an order before it expires.

**Do I have to report the order to a credit bureau?**

A private individual is not able to report an order to Equifax or Transunion (the major credit reporting agencies in Canada). The court house can report orders to these credit bureaus but may not do so, and reports sometimes fail to appear. As a credit bureau member, Affinity Credit has the ability to report to both Equifax and Transunion.

**Does an order ensure I will be paid?**

Sadly, even if you receive an order to pay in your favour, the biggest challenge can be to collect on it. Enforcement may take years to complete, and sometimes nothing is paid at all.

**What can I do to make tenancy collection easier and more likely?**

The best way to maximize your chances of success is to be proactive, which means laying the groundwork prior to turning over the keys. Require each tenant to complete a standardized application, on which you collect information such as full name, date of birth, bank info, employment documents and photo ID. Always call current and previous landlords and employers to verify the prospective tenant’s history and claims. (Be aware that some incomes such as pensions, AISH and social assistance can’t be seized in enforcement.) While you must not discriminate, it is important to recognize the limitations to your enforcement capabilities.

When it comes to enforcement, the easiest and most effective route is to work with a specialized tenancy debt collection agency. Most generalist agencies do not take on tenant debt and few that do have the expertise to manage tenancy files effectively. Affinity Credit is Alberta’s most experienced tenancy debt collection agency. You can learn more and get started online at AffinityCredit.ca.